



**KWAZULU-NATAL PROVINCIAL ADMINISTRATION**

## **EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM**

**[EPMDS]**

This Provincial Policy Framework was approved by the Committee of Heads of Department of the Province of KwaZulu-Natal on 6 March 2018.

Signed:

A handwritten signature in black ink, appearing to be 'P D Gwala Khumalo', is written over a horizontal line.

Ms P D Gwala Khumalo  
Acting Director-General

**IMPLEMENTATION DATE: 01 APRIL 2018 IN LINE WITH THE DPSA DETERMINATION AND DIRECTIVE ON PERFORMANCE MANAGEMENT AND DEVELOPMENT FOR EMPLOYEES OTHER THAN EMPLOYEES WHO ARE MEMBERS OF THE SENIOR MANAGEMENT SERVICE**

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## ACRONYMS

<b>CAR</b>	Confirmed Assessment Rating
<b>D-G</b>	Director-General
<b>DMC</b>	Departmental Moderating Committee
<b>DPSA</b>	Department of Public Service and Administration
<b>EA</b>	Executive Authority
<b>GAF</b>	Generic Assessment Factor
<b>HOD</b>	Head of Department
<b>HRD</b>	Human Resource Development
<b>IRC</b>	Intermediate Review Committee
<b>KRA</b>	Key Responsibility Area
<b>MMS</b>	Middle Management Service
<b>MPSA</b>	Minister for Public Service and Administration
<b>MTEF</b>	Medium Term Expenditure Framework
<b>PA</b>	Performance Agreement
<b>PDP</b>	Personal Development Plan
<b>PFMA</b>	Public Finance Management Act, 1999
<b>PMDS</b>	Performance Management and Development System
<b>PSA</b>	Public Service Act, 1994
<b>PSC</b>	Public Service Commission
<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>PSR</b>	Public Service Regulations, 2016
<b>TCE</b>	Total Cost to Employer

## **EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (EPMDS)**

### **1. INTRODUCTION**

- 1.1 The Employee Performance Management and Development System (EPMDS) provides a standardised framework for the management of employee performance, assessment and development on salary levels 1 to 12, which is inclusive of employees covered by an occupation specific dispensation in a Department who are employed in terms of the Public Service Act, 1994.
- 1.2 Departments may adopt the policy framework in its current form. If there are, however, unique circumstances within a department that necessitate the modification of the policy, departments may customise the policy to suit those prevailing circumstances but must ensure that they remain within the minimum and maximum provisions of the provincial policy and submit such amendments to the PSCBC for ratification through the Office of the Premier.

### **2. PURPOSE**

The purpose of performance management and development is to ensure adequate planning, management, assessment and evaluation of employee performance to assist in improving upon performance and thereby on service delivery.

### **3. DEFINITIONS**

For the purpose of this policy, unless the context indicates otherwise, the following definitions are set out for the terms indicated:

**“annual performance rating”** means the annual performance rating as part of an employee’s assessment that takes place at the end of the performance cycle. The result of this rating is the overall annual performance score for the employee during the entire performance cycle.

**“assessment instrument”** means an assessment tool used to assess the performance of an individual employee in relation to the achievement of key result areas and core management criteria or generic assessment factors as contained in the work plan of the performance agreement.

**“competency”** means the combination of knowledge, skills, behaviour and aptitude that a person can apply in the work environment, which indicates a person’s ability to meet the requirements of a specific post.

**“Confirmed Assessment Rating (CAR)”** means the assessment score for an employee that has been confirmed by the Departmental Moderating Committee (see also validated and provisional assessment rating).

**“elementary occupation”** means an occupation at salary level 1-4 that includes messengers, labourers and other occupations performing simple tasks where employees may be illiterate and not able to complete lengthy documentation.

**“Generic Assessment Factor (GAF)”** means an element used to describe and assess aspects of performance, taking into consideration knowledge, skills and attributes and which is embedded in a Key Result Area.

**“Key Result Area (KRA)”** means an area of a job in which performance is critical for making an effective contribution to the achievement of departmental strategies, goals and objectives

**“performance agreement”** means a document agreed upon and signed by an employee and her or his supervisor, which includes a description of the job, selected KRAs and GAFs, a work plan and the employee’s personal development plan.

**“performance assessment”** means the measurement, assessment, rating, review or appraisal of employee performance.

**“performance cycle”** means a 12-month period for which performance is planned, managed and assessed aligned to the same period as the Department’s annual performance plan, i.e. 1 April to 31 March of the following year.

**“performance incentives”** means a set of (a) financial rewards linked to the results of performance appraisal, including pay progression, performance bonus, and (b) a variety of non-financial rewards that may be contained in the departmental performance incentive scheme.

**“performance incentive scheme”** means a departmental performance related incentive scheme aligned to or integrated with its performance management system, established in terms of Public Service Regulation 73.

**“performance indicator”** means a measure used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).

**“performance management”** means a purposeful, continuous process aimed at managing and developing employee behaviour for the achievement of the organisation’s strategic goals; the determination of the correct activities as well as the evaluation and recognition of the execution of tasks/duties with the aim of enhancing their efficiency and effectiveness; and a means of improving results from the Department, teams and individuals by managing performance within an agreed framework of planned goals, objectives, standards and incentives.

**“performance review”** means a written, structured and formal assessment of an employee’s performance discussed between supervisor and employee to monitor progress, resolve problems and adjust work plans during the performance cycle, thereby providing an opportunity for improvement before the annual review takes place.

**“performance standard”** means mutually agreed criteria to describe work in terms of time-lines, cost and quantity and/or quality to clarify the outputs and related activities of a job by describing what the required result should be. In this framework, performance standards are divided into indicators and the time factor.

**“Personal Development Plan (PDP)”** means a plan documenting the important competency and other developmental needs of the employee, together with the means by which these needs are to be met and which includes time lines and accountabilities and which is a mandatory part of the performance agreement.

**“supervisor”** means an employee responsible for the allocation of work, monitoring of activities, discussion of performance and development, and the finalisation of the half-yearly performance review and annual performance rating of an employee.

#### **4 SCOPE**

The EPMDS is applicable to all employees in the Provincial Administration on salary levels 1 to 12, inclusive of employees covered by an occupation specific dispensation (OSD), appointed in terms of the Public Service Act, 1994, but excludes members of the Senior Management Services (SMS).

#### **5 SOURCES OF AUTHORITY**

Public Service Act, 1994, as amended

Public Service Regulations, 2016

Skills Development Act 97 of 1998

Labour Relations Act 66 of 1995

Public Finance Management Act 1 of 1999

Promotion of Administrative Justice Act 2 of 2000

Treasury Regulations, 2005

Relevant collective agreements

Determination and Directive on the Performance Management and Development System of Employees other than members of the Senior Management Services for Implementation with effect from 1 April 2018

2017 Incentive Policy Framework for Non-Occupation Specific Dispensation (OSD) Employees on Salary Levels 1 to 12 and Employees Covered by OSDs

## **6 CONSEQUENCE MANAGEMENT**

- (a) Any non-compliance with this policy framework must be dealt with in terms of section 16A of the Public Service Act.
- (b) An employee who does not comply with any one of the requirements in subsection 7(1)(a)-(m) below, shall not qualify for any performance rewards, ie. pay progression and performance bonuses.

## **7 POLICY PROVISIONS**

### **7.1 General provisions**

- (a) The performance cycle is a 12 month period, from 1 April of a year to 31 March of the following year, for which performance is planned, executed and assessed. The probation cycle is linked to the appointment date of a jobholder.
- (b) An employee must enter into, sign and submit a performance agreement (PA), which includes a work plan and personal development plan, to Human Resource Management/Development (HRM/D) within three (3) calendar months of his/her date of appointment and thereafter within two (2) months of the beginning of each financial year on or before 31 May of a year. A performance agreement must be signed by both parties for it to be binding.



- (c) The relevant supervisor must ensure that the signed PAs are submitted to their internal HRM/D components on or before the end of the first working day following the due date for the signing of PAs.
- (d) The half-yearly review is the mid-term review for the April to September period and must be completed in writing and submitted to HRM/D on or before 31 October of the year that is being assessed.
- (e) The employee and the supervisor must ensure that annual performance assessments are finalised and submitted to HRM/D by 31 July of the financial year following the year of assessment.
- (f) Quarterly performance reviews are required for quarter 1 and quarter 3. In cases of satisfactory performance or better these reviews may be either oral or written but in cases of poor or unsatisfactory performance these reports must be in writing.
- (g) Failure to enter into, sign and submit a Performance Agreement, half-yearly review form and/or annual performance assessment, or failure to comply with the above-mentioned deadlines will result in an employee not being eligible/not qualifying for pay progression or a performance bonus for the performance cycle in question and may result in the employee and/or his/her supervisor being subjected to disciplinary action for non-compliance.
- (h) If an employee is appointed, seconded or transferred to another post or position at the same salary level during the performance cycle, a new performance agreement must be entered into for the new post or position within three (3) calendar months of his/her appointment, secondment, transfer and the performance assessment must take both periods of work in the cycle into consideration.
- (i) For seconded employees, a copy of the signed PA must be submitted by the seconding department to the releasing department within 30 days.
- (j) An employee who is appointed to act in a higher position or seconded for three (3) months or longer must amend the relevant parts of his/her PA to include the new roles and responsibilities.
- (k) If an employee who is not an SMS member is appointed to act in an SMS post for a period longer than three (3) months, he/she must amend his/her performance agreement or work plan to include the new roles and

responsibilities. The PA and work plan must be developed and managed in terms of the departmental performance management system for non-SMS employees.

- (l) If a post against which an employee is held, is upgraded due to job evaluation or where the employee has advanced due to grade progression in terms of the OSD during an assessment cycle and there is no change to the job description outputs and work plan targets, the employee will be eligible for assessment and may qualify for a performance bonus, but not for pay progression if he/she scores in the applicable range.
- (m) If an employee is absent with permission for a continuous period of three (3) months or longer, the affected employee shall be regarded as having performed satisfactorily for that period of absence within the performance cycle provided that the performance agreement was entered into, signed and submitted by the due date. Examples of such absences include, *inter alia*, injury on duty, pregnancy, ill-health, study leave, secondment, travel, annual leave or suspension. Such employees are excluded from consideration for performance bonuses because they have not performed above average for the full duration of the performance cycle.

## **7.2 Performance Agreement (PA) - Annexure A**

- (a) A Performance Agreement must include the following: -
  - (i) a personnel number, job title, post grade as well as a clear description of the main objectives of the employee's job and the relevant outputs or key responsibility areas and competency requirements;
  - (ii) a work plan containing the outputs, activities, and resource requirements; and
  - (iii) a personal development plan (PDP) that identifies the employee's competency and developmental needs in terms of the inherent requirements of the of the job as well as methods to improve these.
- (b) The Work Plan (Annexure B and Annexure I for Elementary Occupations).
  - (i) The performance of an employee is assessed on Key Result Areas (KRAs) and the Generic Assessment Factors (GAFs) relevant to his/her job based on his/her job description and contained in the PA. Each

employee must be assessed against both areas. KRAs covering the main areas of work will account for 100% of the final assessment, while the GAFs are embedded in the KRAs and are not separately weighted and scored.

- (ii) **KRAs** describe what is expected from an employee in his/her role and focus attention on actions and activities that will assist units and ultimately the Department in performing effectively. In the Work Plan the KRAs are broken down into outputs and activities including the resource requirements. These are used to indicate how the performance/achievement of the outputs and activities will be measured. KRAs may cover many different aspects of the work such as -
  - (aa) Specific tasks or events which the employee must ensure are achieved;
  - (bb) Levels of performance which the employee must maintain and promote;
  - (cc) Actions or situations for which the employee is personally responsible in delivering his/her “unique contribution”; and
  - (dd) Duties and responsibilities related to advice and support given, for example, by specialists to clients.
- (iii) Although there is no limit to the number of KRAs to be included in a PA, the number of KRAs included should preferably not exceed five. Each KRA must be broken down into measurable outputs and/or duties/responsibilities and activities. Each KRA must be weighted (as a percentage %) according to the importance and impact it has on the employee’s job as captured in the job description. The weighting of all the KRAs must total 100%. The weight of each KRA may not be less than 10% and may not exceed 30%.
- (iv) Employees shall identify, discuss and agree on the GAFs that are most relevant to their area of work. GAFs shall not be weighted or assessed independently, but must be incorporated and assessed in an integrated manner with the KRAs (refer to Annexure C for a Guide to Generic Assessment Factors).

(c) **Personal Development Plan (PDP) - Annexure D and Annexure J for Elementary Occupations.** Any employee development identified in the GAFs must be used to inform areas of development to be included in the PDP of an employee.

- (i) A PA is incomplete if it does not contain a Personal Development Plan. It is used to identify any gaps in the performance of the employee, either historical or anticipated, to relate this to a supporting GAF shortfall and then to plan and implement a specific set of actions to reduce the gap.
- (ii) The competence gap may relate to any of the GAFs included in this EPMDS or any other area of the employee's knowledge, skill and attribute requirements. The PDP must include interventions relating to the technical or occupational "hard skills" of the job, through *inter alia*, appropriate training interventions, on-the-job training, expanded job exposure, or job rotation.

(d) **Dispute Resolution**

- (i) If both the employee and his/her supervisor do not sign the performance agreement by 31 May due to a dispute relating to the content of the agreement, a person must be appointed within one (1) month after the expiry of the period to consider the dispute. Such appointment shall be made by the relevant executive authority, provided that the person so appointed shall be an employee.
- (ii) The person appointed to resolve a dispute must be chosen on the basis of his/her functional expertise and people skills and not necessarily a legal qualification since performance disagreements should preferably be a consensus driven process resolved through dialogue.
- (iii) The person appointed to consider the dispute in terms of subsection 7.2(d) shall within one (1) month of his or her appointment consider the dispute and recommend to the head of department that a performance agreement be signed. The EPMDS mediation process shall not exceed a period of one month.

- (iv) The relevant employee and his/her supervisor must sign the performance agreement as recommended in subsection 7.2(a) within two (2) weeks of receipt thereof, failing which the agreement shall be deemed to have been signed from the date of the recommendation.
- (v) Any dispute regarding any differences that may arise out of performance agreements, performance reviews or performance assessments must first be resolved internally within the Branch/Component/Unit. However, should the mediation process fail, an employee may consider a formal grievance in terms of the Public Service Grievance Procedure.

### **7.3 Amendments to the performance agreement**

- (a) The initial PA is signed prior to the start of the performance cycle. Significant changes, additions and subtractions, must however be reflected in the PA and Work Plan on an on-going basis.
- (b) The PA and Work Plan against which an employee is assessed at the end of the cycle must accurately reflect the employee's actual activities and outputs during the entire performance cycle. Any amendment made to the PA and Work Plan must be committed to writing and signed and dated by both the employee and her/his supervisor.
- (c) Employees are discouraged from amending a PA in the last quarter of a performance cycle (ie. 1 January to 31 March), unless changes to the employee job description, job grade, organisational structure of the department or its functions or amendments to the objectives and priorities resulting in significant changes (more than 20% difference and/or a period longer than three (3) months) to the content of the job of the employee.
- (d) In the case where the amendment of the PA is justified, the amended PA must be accompanied by a written motivation explaining the reasons for the changes. This motivation must be signed by the supervisor and the head of the component and submitted to HRM/D to inform and clarify, matters of performance during annual assessments and moderation.

#### 7.4 Templates for performance management

Departments may develop their own templates for performance agreements, mid-year reviews and annual assessments or they may utilise the templates included as annexures to this policy framework.

#### 7.5 Performance monitoring, review and assessment

##### (a) Performance monitoring

The performance of an employee at the individual level must be continuously monitored by the supervisor to enable the identification of performance barriers and changes and to address development and improvement needs as they arise. The supervisor must as a minimum provide oral feedback to the employee on his/her performance if the performance is satisfactory and in writing if the performance is unsatisfactory.

##### (b) Categories of performance and rating scale

The following four categories of performance are used for the purpose of performance rating, review and the annual assessment of employees:

RATING	CATEGORY	DESCRIPTION
1	NOT EFFECTIVE (less than or equal to 66%)	Performance does not meet the standard expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against almost all</u> of the performance criteria and indicators as specified in the Performance Agreement and Work Plan.
2	PARTIALLY EFFECTIVE (67%-99%)	Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Work Plan.
3	FULLY EFFECTIVE (100%-119%)	Performance fully meets the standard expected in all areas of the job. The review / assessment indicates that the jobholder has achieved as a minimum <u>effective results against all</u> of the performance criteria and indicators as specified in the Performance Agreement and Work Plan.
4	(a) HIGHLY EFFECTIVE (120%-127%)  (b) EXCEPTIONAL (128%-133%)	(a) Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved <u>better than fully effective results against more than half</u> the performance criteria and indicators as specified in the Performance Agreement and Work Plan and maintained this in all areas of responsibility throughout the performance cycle.  (b) Performance is exceptional. The review/assessment indicates that the jobholder has achieved <u>better than fully effective results in all</u> areas of the performance criteria and indicators as specified in the Performance Agreement and Work Plan and maintained this in all areas of responsibility throughout the performance cycle.

As illustrated above, the EPMDS utilises a four-point rating scale. A rating of “3” on the scale indicates “fully effective” meaning the employee has fully complied with the requirements of the job and that the employee’s performance fully meets the standard required. An employee who is rated as “fully effective” has fully complied with the requirements of the job and scores between 100 and 119%. Only whole numbers may be used in the scoring and no decimals are allowed. (For example a score of 3.5 is not permitted.)

**(c) Performance review and assessment**

(Examples of half-yearly review form at Annexure E; annual assessment Annexure F for levels 1-12 and OSD employees and Annexure K for elementary occupations)

- (i) The conducting of mid-year performance reviews and annual performance assessments is compulsory and must be in writing. An employee must be assessed by his/her supervisor for each performance cycle. Performance reviews must take place at least four (4) times a year and feedback given to the employee, however the review for quarter 1 and quarter 3 may be conducted orally provided that the performance was satisfactory or better.
- (ii) An employee’s annual formal performance assessment covering the whole cycle must be in writing, must reflect the performance of the employee for the entire performance cycle (April to March) and must be conducted even if the employee was employed for less than twelve (12) months in that particular cycle.
- (iii) All assessments must be signed by both parties.
- (iv) Where the employee’s performance is below what is required, the supervisor must develop a performance improvement plan for the employee.
- (v) Where the employee’s performance fully meets the standard expected in all areas of the job (100-119%), supervisors must ensure that all reviews/ assessments indicate that the job holder has achieved fully effective results against all of the performance criteria and indicators as specified in the performance agreement and work plan.

- (vi) Where the employee's performance far exceeds the standard expected of an employee at his/her particular level, the reviews/assessments must indicate in writing that the employee has achieved better than fully effective results against more than half /or in all areas of the performance criteria and indicators as specified in the PA and work plan and maintained this in all areas of responsibility throughout the performance cycle. Motivation to substantiate this rating of 4 must be provided in writing.
- (vii) The half yearly mid-term review for the April to September period must be in writing and must be conducted and submitted to HRM/D before 31 October of the year being assessed.
- (viii) The supervisor and the employee must ensure that annual performance assessments are finalised and submitted to HRM/D by 31 July of the financial year following the year of assessment.
- (ix) Failure to comply with any deadline will result in an employee not qualifying for a performance bonus or pay progression for the performance cycle in question and may result in the employee and/or his/her supervisor being subjected to disciplinary action.
- (x) Motivation, discussed with the supervisor and limited to a maximum of one (1) page per key result area, must be provided by the employee for any score that is above three.
- (xi) The supervisor must provide an explanation for any score below three (3) and must include a performance improvement plan drafted in line with the employee's areas of weakness.

## **7.6 Probation**

- (a) Employees who are appointed to the public service for a period exceeding one (1) year, must serve a probationary period of twelve (12) calendar months excluding the number of days for which leave has been taken during the period of probation or any extension thereof.
- (b) The EPMDS will serve as the system that is used to assess an employee during the period of her or his probation.



- (c) The performance assessment of employees on probation must be conducted quarterly and must link with the EPMDS.
- (d) At expiry of the probationary period the supervisor of the probationer must make a recommendation on whether or not appointment should be confirmed. If the probationer is not deemed suitable for the relevant post, other options such as the extension of probation, formal registration on the incapacity programme or as a last resort, dismissal, should be considered. (Annexure G for probation assessment form.)
- (e) An employee's probationary period will not necessarily coincide with the 1 April to 31 March cycle, however the EPMDS assessment tool must be used for assessment, and the results captured in the quarterly probation assessment form.
- (f) New appointees to the public service are required to serve in a post for 24 months before they are eligible for pay progression. New appointees who are appointed to a post after 1 April (after the start of the assessment cycle) may therefore have to serve up to 35 months in a post before they are eligible for pay progression. However a new appointee may be eligible for a performance bonus after completing the first twelve (12) month performance cycle (1 April to 31 March) provided he/she qualifies for this in terms of his/her assessment.

## **8 PERFORMANCE MODERATION**

- 8.1** The executive authority must appoint a committee to moderate the annual performance assessments and submit the recommendations to the relevant EA for approval.
- 8.2** Performance moderation is conducted by a higher level of management above the supervisor to ensure that the performance of all employees is evaluated fairly and consistently across the board. For example, the performance assessments of levels 1-12 must be reviewed by level 13 or above.
- 8.3** The performance moderation process may be conducted in two steps if required utilising an Intermediate Review Committee (IRC) and a Departmental Moderating Committee (DMC). The use of an IRC is optional, however

departments are encouraged to utilise both IRCs and DMCs to ensure fairness across the board within a department.

- 8.4** Members of the moderation committees must ensure that there is compliance with the public service prescripts in terms of the timelines on the signing of PAs, performance reviews and assessments and the date for the implementation of the outcomes of annual performance assessments and that the performance outcome of the department or branch or unit is considered when advising or recommending on the implementation of the outcomes of annual performance assessments.

**8.5 The Intermediate Review Committee (IRC) - Optional**

- (a) Departments may establish an intermediate review committee at a Programme or Chief Directorate level for reviewing the performance assessments rating agreed upon by the employee and the supervisor. The need for such a committee will depend on the size and structure of the department.
- (b) The IRC receives the performance assessment ratings of all employees at the Chief Directorate/Component level to review, compare and validate the ratings. If the IRC agrees with the ratings, the ratings are submitted to the Departmental Moderating Committee. Any recommendations on the changing of the ratings must be referred back to the employee's supervisor in writing only once with reasons for the decision for the supervisor and the subordinate to try and reach consensus on the change. Supervisor and employee must respond within five (5) working days. Failure to agree or respond within the timeframe will result in the unchanged (original) rating being forwarded to the DMC with the comments from the IRC, the supervisor and the employee.

**8.6 Departmental Moderating Committee (DMC) – Compulsory)**

- (a) Each executive authority must establish a Departmental Moderating Committee (DMC) for salary levels 1 to 12, by 31 July of a year, which is chaired by the Head of Department or his/her delegate. The DMC may furthermore consist of senior managers at the discretion of the executive authority or relevant delegated official.

- (b) The role of the DMC is to ensure that the annual performance assessment is conducted in a realistic, consistent and fair manner and to monitor the performance assessment process by obtaining an overall sense of whether norms and standards are being applied consistently and realistically to employees on the same level and across the department as a whole.
- (c) The DMC should not assess each individual case for purposes of evaluating ratings, but should develop an overall view of the results of the assessment process. If the DMC identifies deviations or discrepancies, these should be dealt with in a just, fair and consistent manner and referred back to Directors and supervisors who had agreed to the ratings with their subordinates, together with reasons for the decision. This should be accompanied by a request for reconsideration of the rating.
- (d) Unless it is an overall assessment score adjustment that alters the assessment scores of all employees (as a group) by the same quantum, the DMC is discouraged from changing an individual employee's assessment rating, without first referring the issue back to the IRC and the supervisor who made the initial assessment.
- (e) The DMC must keep detailed minutes and records of decisions, in particular if it recommends either increasing or decreasing rating scores. Such decisions must be communicated to the supervisor and the employee.
- (f) The DMC shall confirm the rating, which is the final rating score for the employee.

#### **8.7 Additional responsibilities of the DMC**

- (a) The DMC provides oversight of the implementation of the EPMDS policy, ensuring that the performance management process, including the setting of performance standards is valid, fair and objective.
- (b) The DMC must detect any potential problems with the EPMDS and advise the HOD accordingly.
- (c) The DMC must review overall assessment scores across components/branches in the department.

- (d) The DMC must recommend reward levels and remedial action for different types of performance outcomes. Reward levels must be fair and consistent across all categories within the Department.
- (e) The DMC must make recommendations regarding actions to be considered where directors and supervisors do not properly and fairly execute their responsibilities with regard to contracting, provision of performance feedback, mid-year reviews, annual assessments and ratings in terms of the EPMDS.

#### **8.8 Assessment Appeals Panel - Optional**

- (a) An AAP may be established by the HOD for specific cases of dispute or disagreement and must include expertise of the line function, performance management, legal affairs and labour relations. The AAP will consider written representations from employees in the event of a disagreement and after submission in writing to Labour Relations.
- (b) The AAP is also an arbiter in *ad hoc* disputes and disagreements.
- (c) The Assessment Appeal Panel (AAP) is a departmental recourse for an employee in a disagreement over a proposal by the IRC to amend an assessment rating, after being informed of the final rating (Confirmed Assessment Rating) and before a formal grievance is lodged.
- (d) The AAP is required to review a disagreement between an employee and the department over her/his Confirmed Assessment Rating, and to make changes to the assessment rating without referring the matter back to the Departmental Moderating Committee. The submission in this instance is made by the aggrieved employee to Labour Relations who then ensures that the AAP is activated and set up appropriately.
- (e) The AAP acts as an arbiter in the event of special cases of dispute and disagreement, for example in a specific section or with a specific manager or supervisor, or of a specific employee, especially in cases where the interpretation or application of the EPMDS is at issue.

#### **8.9 Disagreements over ratings and assessments**

- (a) Disagreement may occur (a) between the employee and his/her supervisor; (b) between an employee and his/her supervisor on the one hand, and the IRC on

the other hand; or (c) between the IRC and the DMC; and even between the DMC and the HOD or Executive Authority.

- (b) If there are fundamental disagreements between the IRC and the DMC, or if the HOD does not wish to approve the recommendations of the DMC, such issues must be resolved at management level after consultation with the relevant managers.
- (c) If this process results in changes to individual assessment scores, and employees refuse to accept the changes, employees may follow the formal Grievance Rules for the Public Service, after the outcome of the performance process has been made known.

## **9. OUTCOMES OF PERFORMANCE ASSESSMENT**

### **9.1 Managing performance that is not fully effective**

- (a) Supervisors are required to identify and manage poor/unacceptable performance of employees under their supervision. The supervisor must comply with the procedural requirements of PSCBC Resolution 10 of 1999 and Resolution 1 of 2003 - "Incapacity Code".
- (b) The EPMDS provides for the early identification and resolution of poor/unacceptable performance. The annual performance assessment should not be the first indication of an employee's shortcomings. Performance monitoring, including the performance reviews, provide opportunities to ensure this does not happen.
- (c) Should the employee not respond to reasonable and continuous attempts to improve performance and obtain an overall performance assessment score of less than 90% during the assessment process, the employee must be formally registered on an "Incapacity Programme" and advised of this in writing.

### **9.2 Pay progression**

- (a) An employee on salary levels 1 to 12 is eligible for pay progression to the maximum notch of the salary level attached to his/her post. Progression to the next higher notch within the employee's salary level is not automatic.
- (b) An employee must complete a continuous period of at least twelve (12) months on his/her notch (1 April to 31 March) and must be performing at least at the

level of fully effective (satisfactory) in all KRAs, as assessed in terms of the EPMDs to qualify for pay progression.

- (c) Only valid notches on the salary level must be used in the process of progression. An employee awarded a personal salary above the maximum of the scale attached to his or her post, shall not qualify for pay progression, but shall receive any annual cost of living adjustments on the salary scale as well as any performance bonus for which he/she qualifies in terms of the assessment.
- (d) An employees who benefits from pay progression during a financial year will receive the benefit in addition to possible annual cost-of-living adjustments. An employee may in the same financial year receive pay progression and other performance related incentives (e.g. bonuses) provided for in departmental performance related incentive schemes.
- (e) An employee who has reached the maximum notch of his/her salary scale does not qualify for pay progression but may qualify for bonuses and other awards.
- (f) Pay progression for non-OSD employees is limited to a single notch per performance cycle effective from the 2018/19 performance cycle based on a performance assessment of at least satisfactory performance. Pay progression of OSD employees is regulated in terms of their respective OSDs.
- (g) PERSAL shall not implement pay progression automatically.

### **9.3 Incentives for good performance**

- (a) This EPMDs includes an Incentive Policy Framework which introduces flexibility in the awarding of performance incentives.
- (b) Effective from the 2017/2018 performance cycle, which commenced on 1 April 2017, the MPSA determined that the annual expenditure on performance bonuses may not exceed 1.5% of a department's annual remuneration budget. EAs do not have the authority to exceed the cap of 1.5% in "justifiable circumstances".
- (c) The MPSA determined that the expenditure on pay progression for non-OSD and OSD employees shall not exceed 2% of a department's wage bill for any given financial year.

- (d) Departments may introduce flexibility in respect of performance bonuses within a maximum of 18% of a salary notch and 14% of a TCE package (eg. 5% performance reward for a performance rating of 120%, 10% performance reward for a performance rating of 126%, 18% performance reward for a performance rating of 133%). If this is insufficient to award deserving employees, the Department must scale down the percentages awarded or set more stringent standards for the granting of awards.
- (e) It is not permissible for Departments to pool the funds allocated for pay progression and performance bonuses to provide additional or other incentives to employees.

#### **9.4 Performance bonus**

- (a) A performance bonus is a financial award granted to an employee in recognition of sustained performance that is significantly above expectations (highly effective or exceptional) and is rated as such in terms of the rating scale.
- (b) To qualify for a performance bonus, an employee must complete a continuous period of at least twelve (12) months on his/her salary level from 1 April of one year to 31 March of the following year. The value of a bonus is calculated on the employee's actual notch (levels 1 - 10) or remuneration package (levels 11 and 12), but not exceeding the maximum notch of the scale attached to the post.
- (c) Departments may introduce flexibility in respect of performance bonuses within a maximum of 18% of a salary notch and 14% of a TCE package.

#### **9.5 Grade progression**

- (a) Grade/accelerated grade progression is not automatic. It is based on actual service in a particular OSD or non-OSD post and complying with the prescribed periods and performance ratings. An OSD employee qualifies for grade and accelerated grade progression as prescribed in the various OSDs.
- (b) An employee qualifies for grade/accelerated grade progression based on the outcome of performance as measured by the departmental performance

management system. Accelerated grade progression rewards an employee who demonstrates sustained above average performance over a specified period.

- (c) Grade/accelerated grade progression for a non-OSD employee is effective from the 1<sup>st</sup> day of the month following the month in which the employee complies with the stipulated criteria effective from the date of issue of the Incentive Policy Framework. Effective dates of grade/accelerated grade progression for OSD employees are contained in the respective OSDs.
- (d) A qualifying employee on salary level 1 with five (5) years continuous service grade progresses to salary level 2 and an employee on salary level 2 with twenty (20) years combined continuous service on salary levels 1 and 2 grade progresses to salary level 3 based on consistent satisfactory performance over the last two annual performance assessments.
- (e) An employee on salary level 4, 5, 6, 7, 9 or 11 is eligible for grade progression to salary level 5, 6, 7, 8, 10, or 12 respectively, provided the employee has completed fifteen (15) years continuous service on the salary level on which the post is graded and obtained at least a satisfactory rating during the last two (2) annual performance cycles.
- (f) No employee on salary levels 1 and 2 is eligible for accelerated grade progression from salary level 1 to 2 or 2 to 3 respectively.
- (g) An employee on salary level 4, 5, 6, 7, 9 or 11 is eligible for accelerated grade progression to salary level 5, 6, 7, 8, 10 or 12 respectively, provided that the employee has completed at least twelve (12) years of continuous service on the salary level on which the post is graded and obtained twelve (12) cumulative annual above satisfactory performance ratings on the salary level.

#### 9.6 Compliance due dates and activities

The following due dates are prescribed in terms of the provincial policy framework for the purposes of ensuring compliance:

Annual Dates	Current Activities	Cycle	Previous activities completed	Cycle to be	Responsibility
31 May	Signed PA is filed/submitted to HR				Employee Supervisor Head of HR



30 June	Finalisation of capturing of signed performance agreements on PERSAL	Finalisation of capturing employee performance information on PERSAL	Head of HR PERSAL Controller
31 July		Finalisation of annual performance assessments	Employee Supervisor EA/delegated authority
31 October	Finalisation of mid-year reviews		Employee Supervisor
30 November		Approval of moderated annual performance assessments	EA or delegated authority
31 December		Implementation of outcomes of the annual performance assessments	HR Finance Accounting Officer

#### 9.7 General Provisions

- (a) Progression will not be considered in the absence of proven records from the current or previous performance management systems.
- (b) Grade or accelerated grade progression for a non-OSD employee is limited to progression to the next higher stipulated salary level above the salary level (grade) attached to the post in terms of the job evaluation system, for example, Salary level 4 to 5, not 4 to 5 to 6 or 4 to 6.
- (c) Non-OSD employees whose posts are graded on salary levels 3, 8 and 10 respectively are excluded from grade progression and cannot grade progress from 3 to 4, 8 to 9 or 10 to 11 respectively.
- (d) If a post is upgraded and the current incumbent is absorbed into the upgraded post, the qualifying period for grade progression to the next higher (permissible) salary level commences from the date of absorption in to the upgraded post.
- (e) Accelerated progression of non-OSD employees is limited to 30% of qualifying employees on a specific salary level per annum.
- (f) Expenditure on grade/accelerated grade progression must be defrayed from existing departmental baselines.

- (g) An employee is eligible for both pay progression and a performance bonus in recognition of performance in the same cycle.
- (h) An employee is not eligible for pay progression and grade/accelerated grade progression in the same financial year or based on the performance during the same performance cycle.

## **10. ROLES AND RESPONSIBILITIES**

### **10.1 The Executive Authority (EA)**

- (a) An executive authority must approve and implement a system for performance management of employees on levels 1-12 in his/her department.
- (b) An executive authority must approve the department's performance management system in the financial year prior to the cycle in which the system is to be implemented and any deviation from the provisions of the system during the cycle may be approved by the executive authority provided that such deviation is not to the detriment of any employee.

### **10.2 The Head of Department**

- (a) The HOD gives effect to the EPMDS by issuing it as a departmental policy and performance management system.
- (b) The HOD ensures that accurate records of all performance assessments and the outcomes thereof are kept.

### **10.3 The Director**

- (a) The Director of a component is responsible for the component objectives and for ensuring that sub-components develop business plans based on the objectives.
- (b) The Director also ensures that sub-components have defined objectives, outputs, targets and staff to carry the responsibility and the budget to fund the activity.
- (c) A Director may interrogate assessment ratings prior to moderation and if he/she is of the opinion that the rating is not fair he/she may request the supervisor to review the rating with the employee.

#### **10.4 Supervisors**

- (a) A supervisor must ensure that the development of a PA, Work Plan and Personal Development Plan is explained to all employees under his/her supervision. The supervisor develops a PA jointly with each employee.
- (b) The supervisor will clarify to employees the objectives of the component, the clients of the unit, the employee's job description, the employee's clients, the KRAs and GAFs, time frames, measures and the actual performance rating method.
- (c) Supervisors will also assist employees to identify and incorporate training needs into their PA through the drafting of Personal Development Plans.

#### **10.5 The Employee**

- (a) An employee is responsible for his/her own performance management and is required to develop a draft PA, Work Plan, Personal Development Plan based on the required objectives with appropriate KRAs and GAFs.
- (b) The employee is responsible for presenting the draft PA, Work Plan and Personal Development Plan to the supervisor for discussion and joint agreement on the final performance agreement documents.
- (c) It is the responsibility of the Employee to compile half-yearly and annual written reviews

#### **10.6 The Director: Human Resource Management**

The Director is responsible for ensuring that -

- (a) the performance management system is made available and revisions are properly communicated;
- (b) a plan is jointly developed with the HRD unit for the training of trainers as well as the training of supervisors in the implementation of the EPMDs;
- (c) regulatory changes likely to affect the EPMDs are communicated timeously;
- (d) PAs and employment contracts of relevant staff are reconciled where necessary;
- (e) dates for submission of PAs, review reports and assessment are set;
- (f) the DMC is established by the HOD and constituted by members of senior management services;

- (g) organised labour is consulted to obtain its inputs and feedback on the implementation and review of the EPMDS; and
- (h) on-going technical support is provided to components and employees.

#### **10.7 The Head: Human Resource Development**

This position is responsible for the following support in respect of the EPMDS -

- (a) Incorporating identified training needs into the training and skills development planning and implementation processes of the Department.
- (b) Jointly developing and implementing the workplace skills plan for the department in co-operation with the HR component.

#### **10.8 The Departmental Moderating Committee**

The DMC must -

- (a) Provide oversight of the implementation of the EPMDS, ensuring that the performance management process, including the setting of performance standards is valid, fair and objective.
- (b) Advise the Department on financial and non-financial rewards, including the specific percentage for performance bonuses, mindful of the maximum set by the MPSA.
- (c) Detect potential problems in the system and advise the HOD accordingly.
- (d) Review overall assessment scores across sections in the Department.
- (e) Recommend reward levels and remedial action for performance and non-performance, respectively.
- (f) Make recommendations regarding actions to be considered where managers and supervisors do not properly and fairly execute their responsibilities with regard to assessment and rating in terms of the EPMDS.

### **11 MONITORING AND EVALUATION**

The responsibility for monitoring and evaluating compliance with the Employee Performance Management and Development System resides with the Office of the Premier, Chief Directorate: Strategic Human Resource Management. However, each provincial department must monitor and evaluate the implementation of EPMDS within the department.